

STATE OF MICHIGAN  
OFFICE OF FINANCIAL AND INSURANCE REGULATION  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

Before the Commissioner of the Office of Financial and Insurance Regulation

In the Matter of:

Deborah Cotey

Enforcement Case No. 11-11305

System ID No. 0163123

Respondent.

Issued and entered  
on August 12, 2011  
by Annette E. Flood  
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

I. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. At all pertinent times involved herein, Deborah Cotey (Respondent), was a licensed resident producer.
2. As a licensed resident producer, Respondent knew or had reason to know that Section 1207(1) of the Code, MCL 500.1207(1) states in part:

An agent shall be a fiduciary for all money received or held by the agent in his or her capacity as an agent. Failure by an agent in a timely manner to turn over the money which he or she holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of violation of the agent's fiduciary responsibility.

3. As a licensed resident producer, Respondent knew or had reason to know that Section 1239 of the Michigan Insurance Code (Code), as amended, MCL 500.100 *et seq.*, MCL 500.1239 states in part:

In addition to any other powers under this act, the commissioner may place on probation, suspend, or revoke an insurance producer's license or may levy a civil fine under section 1244 or

any combination of actions...for any 1 or more of the following causes:

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(b) Violating any insurance laws or violating any regulation, subpoena, or order of the commissioner or of another state's insurance commissioner.

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(d) Improperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business.

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(h) Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.


4. On December 29, 2010 Respondent admitted in writing that she had deleted the cash payments of several clients and established payment plans without their permission, taking the cash for personal uses.
5. By taking cash payments made by clients and using the funds for personal use, Respondent failed to meet her fiduciary responsibilities as an agent violating Section 1207(1) of the Code, MCL 500.1207(1).
6. Based on the violation of Section 1207(1) of the Code, MCL 500.1207(1), cause to place on probation, suspend or revoke Respondent's insurance producer license under Section 1239(1)(b) of the Code, MCL 500.1239(1)(b) has arisen.
7. Respondent's admission that she deleted the cash payments of several clients and established payment plans without their permission, taking the cash for personal uses, shows Respondent converted money received in the course of doing insurance business.
8. Based on the Respondent's admitted conversion of money received in the course of doing insurance business, cause to place on probation, suspend or revoke Respondent's insurance producer license under Section 1239(1)(d) of the Code, MCL 500.1239(1)(d) has arisen.
9. Respondent's admission that she deleted the cash payments of several clients and established payment plans without their permission, taking the cash for personal uses, shows Respondent used dishonest practices and demonstrated incompetence, untrustworthiness and financial irresponsibility in the conduct of business.
10. Based on the Respondent's admitted dishonest practices, incompetence, untrustworthiness and financial irresponsibility in the conduct of business, cause to place on probation, suspend or revoke Respondents insurance producer license under Section 1239(1)(h) of the Code, MCL 500.1239(1)(h) has arisen.

## II. ORDER

Based upon the parties stipulation to the Findings of Fact and Conclusions of Law above, the Commissioner **ORDERS** the following:

- A. Respondent shall complete 3 additional credits of ethics training within 6 months and report it to the OFIR Market Conduct Section within 6 months of the date of this Order.
- B. Respondent shall pay to the State of Michigan, through OFIR, a civil fine of \$500.00 within 30 days of the invoice date as indicated on the OFIR invoice.

OFFICE OF FINANCIAL AND  
INSURANCE REGULATION

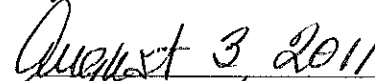
  
Annette E. Flood  
Chief Deputy Commissioner

### III. STIPULATION

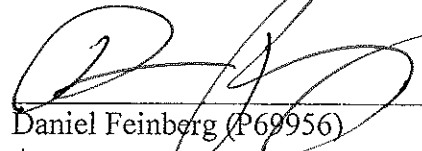
1. Respondent has read and understands the consent order above.
2. Respondent agrees that the Chief Deputy Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code.
3. Respondent admits the findings of fact and conclusions of law set forth above and agrees to the entry of this order.
4. Respondent admits that all parties have complied with the procedural requirements of the Michigan Administrative Procedures Act and the Insurance Code.
5. Respondent has had an opportunity to review the stipulation and consent order and has had the opportunity to obtain review by legal counsel.
6. It is further stipulated, by and between the parties hereto, that failure to comply with the terms set forth in this stipulation within sixty (60) days of the date of this order shall result in a suspension or continued suspension of all licenses or registrations held by Respondent or in the denial of any license or registration renewal and the denial of future applications for licensure or registration until compliance is made with the terms of this stipulation. Unless otherwise specified in this stipulation, requirements imposed on the respondent must be fulfilled within sixty (60) days of the date of mailing of this order.
7. It is further stipulated, by and between the parties hereto, that failure to comply with the terms set forth in this stipulation within six (6) months of the date of mailing of this order shall result in a revocation or continued revocation of all licenses or registrations held by Respondent or in the denial of any license or registration renewal and the denial of future applications for licensure or registration until compliance is made with the terms of this stipulation.
8. It is further stipulated, by and between the parties hereto, that the Chief Deputy Commissioner, or designee, must approve this stipulation before it is submitted to final approval. If the Chief Deputy Commissioner, or that person's designee, rejects this stipulation, OFIR will schedule a contested case hearing in this matter without prejudice to either party.
9. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right, pursuant to the Code, the rules promulgated thereto, and the Administrative Procedures Act, 1969 PA 306, MCL 24.201 et seq., to a hearing before an administrative law judge, at which OFIR would be required to prove the charges set forth by presentation of evidence and legal authority and at which Respondent would be entitled to appear to cross-examine all witnesses presented and to present such testimony or other evidence or legal authority deemed appropriate as a defense to said charges.

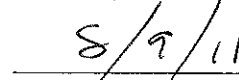
  
Deborah Cotey

System ID No. 0163123

  
Date

OFIR staff approves this stipulation and recommends that the Chief Deputy Commissioner issue the above Consent Order.

  
Daniel Feinberg (P69956)  
Attorney

  
Date